

Shed a Tier

Managing your energy use is the easiest way to 'shed a tier' - and lower your energy bill. Here are some no-cost and low-cost tips to help you save during the summer months:

- *Use fans instead of central air conditioning to save up to 90% on cooling costs.*
- *Set your central A/C at 78° and save up to 12% on cooling costs.*
- *Invest in a pool cover to reduce heat loss by up to 90%.*
- *Reduce your pool pump hours to the minimum necessary to maintain water quality.*
- *Weather-strip and caulk doors and windows to seal in cool air.*
- *Replace regular lights with compact fluorescent light bulbs - CFLs produce less heat and use 75% less energy.*



The Basics About Summer Electric Rates

**The more you know,
the more you can save.**

For more information about tiered rates and how they affect your monthly bill, visit sdge.com/rates or call 1.800.411.7343.



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1-800-411-7343
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1. Know your summer baseline allowance for electricity.

You'll see your monthly "baseline allowance" for a certain number of kilowatt-hours (kWh) of electricity usage on your SDG&E® bill. This number differs slightly from winter to summer, by where you live, the number of days in the billing period, and whether you have an all-electric home or a home with both natural gas and electricity. Baseline allowance is intended to cover your basic essential energy use. Electricity use that falls within your baseline allowance is billed at the baseline rate - tier one - where you pay the lowest rate per kWh.

2. What are the current total electric rates for each of the four tiers?

Total summer electric energy rates for most residential customers are shown below. Summer rates apply from May 1 through October 31. Winter rates apply November 1 through April 30 and are slightly lower for tiers three and four.

Tiers		Standard Summer Electric Rates Per kWh*
Tier 1	Baseline Allowance	14¢
Tier 2	101% to 130% of Baseline	16¢
Tier 3	131% to 200% of Baseline	29¢
Tier 4	Over 200% of Baseline	31¢

*These are the current standard residential rates, effective Jan 1, 2011.

As you use more electricity, the amount you pay for each additional kWh of electricity becomes higher

The California Public Utilities Commission established this type of tiered rate system to help provide some electricity for basic needs at a low rate.

3. When you reach the third tier, your electric rate rises substantially.

The biggest jump in your electric rates occurs once your usage crosses from tier two to tier three. In fact, the rate almost doubles. Central air-conditioning use often pushes rates into the higher-priced third and fourth tiers during the summer. To keep your electric bills down, try to keep your electricity use within the two lowest rate tiers. Because your baseline allowance varies slightly with the number of days in a billing period, the actual number of kWh representing the cut-off point will vary a bit from bill to bill.

4. Why are rates for tiers three and four substantially higher than tiers one and two?

The price of electricity almost doubles from tier two to tier three. This is primarily due to a 2001 California state law that capped the electric rates on the first two tiers of usage. This meant that any rate increases could only be charged to the higher tiers. The Legislature recently eliminated the cap on rate increases for the lower tiers. This helped to spread any rate increases more proportionately across all four tiers. However, even with the recent decrease in electric rates for tiers three and four and a slight increase in electric rates for tiers one and two, the price for electricity is still significantly lower for the first two tiers. As you will see in the following examples, managing your energy use is the best way to lower your monthly electric bill.

5. How do tiered rates and total usage affect my monthly bill?

The two tables below show how lowering use in tiers three and four by conserving energy can significantly reduce your monthly bill.

EXAMPLE MONTHLY USAGE: 1000 kWh

	Rate	kWh Used	Est. Billed Amount
Tier 1	14¢	336	\$ 47.04
Tier 2	16¢	101	\$ 16.16
Tier 3	29¢	235	\$ 68.15
Tier 4	31¢	328	\$ 101.68
		1000	\$ 233.03

EXAMPLE MONTHLY USAGE: 500 kWh

	Rate	kWh Used	Est. Billed Amount
Tier 1	14¢	336	\$ 47.04
Tier 2	16¢	101	\$ 16.16
Tier 3	29¢	63	\$ 18.27
Tier 4	31¢	0	\$ 0.00
		500	\$ 81.47

*This example is for a customer located in the Inland climate zone who receives basic service baseline allowances (receives energy from both an electric and natural gas), and the electric bill is based on a 30-day billing period for the summer season.